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Via Email to: jw2@cpuc.ca.gov

Paul Clanon, Executive Director
Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3298

Attention: Jake Wise

Re: Opportunity to Comment on the Effect of the Proposed Modifications to the California Department of Water Resources' (CDWR) Power Purchase Agreement (PPA) with CalPeak Power

Dear Messrs. Clanon and Wise,

San Diego Gas & Electric Company ("SDG&E") respectfully submits the following comments pursuant to the August 28, 2009 email notice providing interested parties an opportunity to comment on whether the Executive Director of the California Public Utilities Commission ("CPUC") should concur with the California Department of Water Resources' ("CDWR") determination that the changes CDWR proposes to make in its PPA with CalPeak Power represent a change in ratepayer value, resulting in ratepayer savings not to exceed twenty-five million dollars (\$25,000,000) per year.

SDG&E recommends concurrence by the Executive Director. SDG&E supports the underlying established Protocols for the reasons described by CDWR in its referenced August 27, 2009 letter to the CPUC. In pertinent part, the Protocols will serve to clarify how SDG&E will be able to utilize the CalPeak PPAs by: i) conforming the PPAs allocated to SDG&E to MRTU; ii) resolving the ongoing dispute related to Dedicated Hours; and, iii) resolving the ongoing dispute related to Resource Adequacy (by clarifying the filing of Resource Adequacy supply plans with CAISO). Accordingly, SDG&E supports concurrence of the CPUC Executive Director, as requested by the CDWR.

Should you have any questions concerning the forgoing, please do not hesitate to contact me directly at (619) 696-4320 or CFPena@sempa.com.

Respectfully Submitted,

/s/ Carlos F. Peña

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Attorney for

San Diego Gas & Electric Company